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# Employee's Training and Development for Optimum Productivity: The Role of Industrial Training Fund (ITF), Nigeria

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## Abstract

The purpose of this study is to determine the contributions of Industrial Training Fund (ITF) to employee's training and development in Nigeria. Survey research was used in order to carry out the study. Three hundred and sixty (360) respondents from university and polytechnic students, Nigeria Labour Congress and Nigeria National Petroleum Corporation (NNPC) were sampled. Three research questions were generated from the literature review, questionnaire on the contributions of ITF to manpower development in Nigeria, and the responses elicited from respondents were numerically quantified, tabulated and analyzed using the Likert Scale. The analysis shows that Industrial Training Fund (ITF), since its inception has been contributing immensely to manpower development in Nigeria through its various programmes which include direct training targeted at employees both in public and private sector, reimbursement and grant scheme, student industrial work experience scheme (SIWES), research and consultancy services, among others. It is recommended, among other things, that more funds should be made available to the organization so it can also take care of students studying education in institutions of higher learning through its reimbursement and grant scheme, and that special training programmes should be organized under the auspices of Industrial Training Fund (ITF) to cater for those who are unemployed for the purpose of raising small business entrepreneurs.

**Key Words:** Training, Development, Employee, ITF, Organization.

## 1. Introduction

Employee's training and development is seen as the most important formation of any competent management. The reason is not far-fetched; the ever increasing technological sophistication especially in this age of computer technology has made it compulsory for organizations to meet changing situations. Training for capacity building is central to sustain economic growth and development because human capital is the greatest asset of any organization. Capacity building entails investment in human capital, institutions and practices necessary to enhance human skills, overhaul institutions and improve procedures and systems (Sanusi, 2002). Capacity building could also be defined as the internalization of the knowledge, skills and processes that enable the formulation, implementation, monitoring and evaluation of set goals in an efficient manner. Yet, it could be viewed as a series of activities, which an organization, enterprise or even a nation needs to undertake to provide for itself, on a continuous basis, as well as the regular supply of skilled manpower to meet its present and future needs (Anyanwu, 2002). Moreover, one of the major principles needed by industries to succeed in current situation of low productivity is quality training that will equip the employees with new skills, competencies and techniques. Hence, it is good policy to invest in the development of workers' skills, so as to increase their productivity.

In the recent years, Federal Government of Nigeria has been concerned with the development of all workers to improve performance in their present job and to provide a solid basis for those who are growing up. Perhaps, this influenced the decision in establishing Industrial Training Fund (ITF) to cater for the training needs of employees in public and private sectors. Since four decades of its formation, Industrial Training

Fund (ITF) has been organizing and sponsoring training programmes and also encouraging greater involvement of employers, particularly small employers, in the organization and development of training exercises that would lead to the production of highly-skilled manpower to man various economic affairs in Nigeria. In view of the above, this paper discusses the roles of Industrial Training Fund (ITF) in Employee's training and development for economic management in Nigeria.

### **1.1 The Objectives of the Study**

The objectives of the study are to:

- (a) find out the role being played by ITF in employee's training and development;
- (b) determine the types of programmes available in ITF for employees development;
- (c) establish the impact of ITF programmes on capacity building and human resources development in Nigeria.

## **2. The Concept of Training & Development**

Training is a form of specialized education aimed at giving the trainee a particular or specialized knowledge, skill and attitude which he must possess to effectively perform in a given position. Development is concerned with specific programmes designed to prepare and groom a worker with particular education and training for higher responsibilities (Onasanya, 2006).

Beardwell and Helen (2001) also view development as the process of becoming increasingly complex, more elaborate and differentiated by virtue of learning and maturation. Training is also seen as a planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities. (Osborne, 1996). Rouda and Kusy (1995) views Training and Development as the 'acquisition of knowledge, competencies and skills, and adopting behaviors that improve performance in current jobs, including: adult learning theory and applications, instructional systems design, train-the-trainer programs, and instructional strategies and methods.

Management development and training has been seen as a process by which employees are recruited, selected, trained, motivated and required within an economic system. According to Alao (2010), formal management development programme began to appear in large cooperation in 1940 and early 1950s. In the past few decades, there has been an increasing amount of research and general knowledge of the principle and techniques of administration. The rapid rates of technological and social changes have made it imperative to have managers and workers who are trained to cope with these changes.

The ever increasing technological sophistication especially in this age of computer technology has paved way for management training to meet changing business. In the recent years, industries have been concerned with the development of workers and those in management position both to improve performance in their present job and to provide a solid basis for those who are newly recruited. Those developments have been given impetus with the research of Taylor (2008), which emphasized continued necessity of scientific discoveries of human potentials through training. It was in this climate of technological and social changes taking place in the 19<sup>th</sup> century that managers started to seek better ways of coping with increasing complexities taking place in their enterprises.

Taylor (2008) was one of the pioneers who found out that workers are important and can be more efficient than machine (Alao, 2010). Taylor asserted that it is the workers and management that set the pace for production hence, the need for manpower training and development in order to enhance the organizational predetermined goal. It has been emphasized that "scientific management is not a collection of technique only to increase efficiency, but rather a philosophy of being accomplished by workers training and development" (Alao (2010).

In Nigeria, the genesis for manpower training and development can be traced to the Ashby commission set up in 1959 to conduct an investigation into Nigeria's need in the field of past secondary certificate and higher education (Alao, 2010).

Following his development, the federal government has since established a number of training institutions such as the Industrial Training Fund (ITF) in 1971, the Nigerian Council for Management Education and training, the association institution known as center for management development (CMD) in 1972. The

Administration Staff College of Nigeria (ASCON), the Agricultural and Rural Management Training Institution (ARMTI) as well as the Nigeria Institute for Policy and Strategy (NIPSS) and Institute for Labour Studies. Apart from the aforementioned, there are various Federal; and state training centers all over Nigeria.

In the private sectors, there are many organizations that have established their own training centers and schools while others depend on university sponsored programmes and seminars as well as executive development and general management courses run by the Nigeria Institutes of Management (NIM) and that of Institute of Personnel Management (IPM).

Hence, for an organization to achieve its objectives, there must be a continuous review of manpower training to ensure their effectiveness throughout the organization. It is also believed that a vast majority of new employees have not been prepared to perform the job they may encounter in their organisations in respect of the technical or professional education received. There is therefore need for training and retraining of the workers to perform new jobs and adapt to changing working environment.

Training needs arise mainly from the problems that lack of training may have created. Rapidly changing technology in both factories and offices has also created shortage of skilled labour. Also, the growing awareness of many organization responsibility in Nigeria society has accelerated the entrance of less qualified groups in the workforce management has realize that for well qualified workers to man all the different tasks, it is necessary to train their staff. Telecommunication, mass media and financial institutions for example need the kind of training that would equip their workers with the modern technology and ideas. Training is therefore needed because of transfer, promotion and changes in work schedules. Training is needed when job delegation takes places. Training is required when job are enlarge and employees rotates from job to job. Training becomes imperative when scientist discoveries result in innovation in product and equipment.

### **2.1 Human Resource Development**

Human Resource Development is an organized learning activities arranged within an organization in order to improve performance and/or personal growth for the purpose of improving the job, the individual, and/or the organization. This includes the areas of training and development, career development, and organizational development.

Employee needs to learn new skills and develop new abilities, to respond to workplace changes. The process of enhancing and enriching the skills and knowledge of employees through training and refreshing courses is called human resource development. The goal of Human Resource Development is to improve the performance of organizations by maximizing the efficiency and performance of workers. Human resources develop knowledge, skills, actions, standards, motivations, incentives, attitudes and work environment.

### **2.2 Historical Background of Industrial Training Fund (ITF)**

The

Industrial Training Fund was established by Decree No. 47 of 8th October, 1971, with the aim of “promoting and encouraging the acquisition of skills in industry and commerce with a view to generating a pool of indigenous manpower sufficient to meet the needs of the economy”. It was the first of the three Manpower Training and Development Agencies created by the Federal Military Government during the Second National Development Plan period (1970 – 1974). The other two include the Nigerian Council for Management Development (NCMD) and the Administrative Staff College of Nigeria (ASCON). The vision of ITF is to be the foremost skills training and development organization in Nigeria and one of the best in the world while the mission is to set and regulate training standards and offer direct training intervention in industrial and commercial skills training and development using a crop of highly competent professional staff, modern techniques and technology. The objective for which the Fund was established has been pursued vigorously and efficaciously. In the four decades of its existence, the ITF has not only raised training consciousness in the economy, but has also helped in generating skilled indigenous manpower that are has manning and managing various sectors of the national economy.

Over the years, pursuant to its statutory responsibility, the ITF has expanded its structures, developed training programmes, reviewed its strategies, operations and services in order to meet the expanding, and changing demands for skilled manpower in the economy. Beginning as a Parastatal “B” in 1971, headed by a Director, the ITF became a Parastatal “A” in 1981, with a Director-General as the Chief Executive under the aegis of the Ministry of Industry. The Fund has a 13 member Governing Council and operates with 6 Departments and 3 Units at the Headquarters, 27 Area Offices, 2 Skills Training Centres, and a Centre for Industrial Training Excellence.

As part of its responsibilities, the ITF provides Direct Training, Vocational and Apprentice Training, Research and Consultancy Services, Reimbursement of up to 60% Levy paid by employers of labour registered with it, and administers the Students Industrial Work Experience Scheme ([SIWES](#)). It also provides human resource development information and training technology service to industry and commerce to enhance their manpower capacity and in-house training delivery effort. The main thrust of ITF programmes and services is to stimulate human performance, improve productivity, and induce value-added production in industry and commerce. Through its SIWES and Vocational and Apprentice Training Programmes, the Fund also builds capacity for graduates and youth self-employment, in the context of Small Scale Industrialization, in the economy. The ITF Reimbursement Scheme was established to motivate and encourage contributing employers to train and re-train their employees. The Scheme provides that a maximum of 60% of levy be paid to up-to-date levy contributors who satisfy laid down conditions for claiming Reimbursement.

The aims and objectives of the Reimbursement Scheme are to ensure that: training activities are spread to all levels of workers in organizations; employers training programmes are relevant and effective; training programmes are properly implemented and evaluated; training activities, according to the needs of the employers and the economy as a whole, are encouraged (ITF Brochure, 2010).

### **2.3 Functions of the ITF include:**

- Encouraging greater involvement of employers, particularly small employers, in the organization and development of training programmes and facilities including the establishment of Group Training Schemes and Centres in certain areas of economic activity;
- Building of training facilities of its own, in identified areas of national need;
- Organizing research and studies into training as a support to other activities of the Fund;
- Establishing uniform National Vocational Apprenticeship Training Scheme in the country;
- Seeking to harmonize ITF’s non-formal training programmes with the curricula of formal educational institutions;
- Bearing a proportion of the direct cost of on-the-job and off-the-job training of Nigerian employees.

### **2.4 Sources of Revenue**

The Decree establishing the ITF stipulates that employers should contribute 3% of their turnover, whichever was greater to the ITF as mandatory training levy. It also provides for subvention from the Federal Government. The Amendment Decree No. 37 issued on 10th September, 1973 reduced employers’ rate of levy to 2%. This was further reduced to 1% of annual payroll, since 1975 (calendar year). The penalty for non-payment of levy within the time prescribed (not later than 1st April of the following year) is equal to 5% of the amount unpaid each month or part of the month after 1st April each year in addition to full payment of the outstanding levy.

### **2.5 Reimbursement and Grants Schemes**

The Reimbursement and Grants Scheme of the ITF was inceptioned in July, 1973. Under the Scheme, the

Fund bears part of the cost of workers/employees training and further education by providing grants for courses undertaken. The Decree which established the Fund, gave its Governing Council the power to allow a maximum reimbursement of sixty percent (60%) of an employers' contribution for each year. The scheme has been revised from time-to-time. The fifth Grants scheme is now in operation. Once the conditions for paying reimbursement are fulfilled, prompt payments are always effected. The aim of the Grants and Reimbursement Scheme is to encourage employers to train their staff in accordance with the needs of the various industries or group of industries. Employers are therefore, urged to intensify efforts to improve the quality of their manpower through appropriate and approved training programmes. There is no gainsaying that ITF has contributed and still contributing immensely to Employee training and development in Nigerian Industries. Appraising the institution, therefore, will not be out of place in view of its prominent contributions to human resource/organizational development in the most populous black nation called Nigeria.

### **3. Methodology**

The survey research design was utilized for this study.

#### **3.1 Population**

The entire population of this study was nine hundred and sixty one (961). This consists of students from Institutions of higher learning in Nigeria, specifically from Adekunle Ajasin University, Akungba-Akoko and Rufus Giwa Polytechnic (RUGIPO), Owo, both in Ondo State Nigeria, Employees of Nigeria National Petroleum Corporation (NNPC), Ibadan Depot as well as Members of Nigerian Labour Congress in Ondo State Nigeria.

#### **3.2 Sample**

Random sampling technique where all subjects had equal probability of being selected was used in the study. This is presented in table 1. The population of two hundred and eleven (211) subjects was from AAUA Students. Out of this number, eighty four (84) which represented 39.8% was chosen. There were two hundred and twenty five (225) students of RUGIPO. Sixty three (63) or 28.0 percent were sampled out of the subjects. Ninety one (91) or 47.9 percent were chosen from one hundred and ninety (190) respondents from the Nigeria National Petroleum Corporation while one hundred and twenty two (122) members of the NLC- Nigerian Labour Congress in Ondo State of Nigeria which represented 36.4 percent were selected.

#### **3.3 Instrument**

The study aimed at finding out the contributions of Industrial training Fund in Employee's training and development in Nigeria. Thus, structured questionnaire was constructed to provide answers to three (3) research questions raised in the study. The data was analyzed by using rating scale and especially Likert type as follows:

SA- Strongly Agreed (4 Points)

A – Agreed (3 Points)

D – Disagreed (2 Points)

SD – Strongly Disagreed (1 Points)

U – Undecided (0 Points)

The scores obtained by the respondents on questionnaire items were weighted in order to get their mean. Weighted scores refer to the respondent's scores against each questionnaire item multiplied by the scores under each Likert scale point. The products were added together on each column in order to find out the average (mean) using the number of respondents involved. The mean (average) obtained is interpreted as follows:

### 3.4 Interpretation Scale

0.0-0.9 = U

1.0-1.44 = SD

1.50-2.49 = D

2.50-3.49 = A

3.50-4.00 = SA

This is further used to interpret the respondents' view on each questionnaire item and the findings of the study.

**Research Question 1:** What was the level of accessibility of ITF Training Programmes to the employees?

Answer to this question is contained in Tables 2 and 3.

The analysis of respondents' view on the level of accessibility of ITF programmes in table 3 shows a very high level of accessibility of by employees of various organizations. This really shows that ITF programmes is perceived to be open to all employees who wish to access it and this is in line with the submission of Alao (2010), that training is germane to employees growth and development in any industry because they are the ones who set the pace for production.

**Research Question 2:** What are the types of programmes being provided by ITF for Human Resource Development?

Table 4 and 5 provide answer to this question

Analysis in table 4 and 5 shows that majority of respondents agreed that training programme, Grant schemes and Student Industrial Work Experience Scheme (SIWES) are the most prominent programmes being offered by ITF for capacity building and human resource development. Taylor (2008) corroborated this by emphasizing the need for manpower training and development in order to enhance the organizational predetermined goal. He further stated that "scientific management is not a collection of technique only to increase efficiency, but rather a philosophy of being accomplished by workers' training and development. However, the researcher noted the agitation of respondents for ITF grant scheme to also cover the students in higher institutions of learning who studies educational courses so they can also be encouraged during their Teaching Practice exercise.

**Question 3:** What was the impact of ITF programmes on human resource development in Nigeria?

Table 6 and 7 provide answer to this question

The analysis of respondents' view on the impact of ITF programmes on human resource development shows that ITF programmes, in all its ramifications have led to the emergence of skilled manpower in



Nigerian industries through various training programmes. Moreover, ITF, through its training programme, SIWES, and consultancy services, have been empowering employees with the aim of preparing them ready to face any challenge of the workplace. This is in conformity with the submission of Rouda and Kusy (1995) on training as “the acquisition of knowledge, competence and skills, and adopting behavior that improve performance in current jobs. However, respondents expressed contrary view in respect of the emergence of small scale industrialists through ITF training programmes as the training programmes being organized at ITF are mostly targeted at those who are already in employment with one organization or the other alone. This means that ITF have not been doing well in its Vocational and Apprenticeship Training Programmes which were organized purposely to arouse the spirit of entrepreneurship in unemployed youths in Nigeria.

#### **4 Recommendations**

The following recommendations are made based on the findings of the study:

- (1.) Efforts should be made by government to increase the allocation being given to Industrial Training Fund (ITF) to further improve on its various training programmes
- (2.) Industrial Training Fund (ITF) should further improve on its Grant Scheme to Students studying Education in Institutions of Higher Learning who are also engaging in Teaching Practice Exercise instead of concentrating on those studying Sciences alone.
- (3.) It is suggested that special training programmes should be organized under the auspices of Industrial Training Fund (ITF) to cater for those who are unemployed for the purpose of raising small business entrepreneurs.

#### **5. Conclusion**

The Study has revealed that there is a significant relationship between employee’s training and industrial growth and development. Staff training must not be neglected by any organization that values growth and enhanced productivity. The reason is not far-fetched, Training and development helps to ensure that organisational members possess the knowledge and skills they need to perform their jobs effectively, take on new responsibilities, and adapt to changing conditions. Federal government of Nigeria realized this need by establishing Industrial Training Fund (ITF) to cater for the training needs of employee both in public and private sector which has really helped building skilled manpower to man various sector of Nigerian economy.

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## Tables

**Table 1: List of Respondents**

Types of Organization	Population	Sample	% Sample
AAUA Students	211	84	39.8
RUGIPO Students	225	63	28.0
NNPC Employee	190	91	47.8
Members, NLC	335	122	36.4
TOTAL	961	360	152.1

*Research Data, January, 2011*

**Table 2: Respondents' View on the Level of accessibility of ITF programmes to the employees?**

S/N	Respondents	Often	Occasionally	Rarely	Not at all	Not sure	Total
1.	AAUA Students	37	23	11	09	04	84
2.	RUGIPO Students	34	20	06	02	01	63
3.	NNPC Employee	40	31	09	06	05	91
4.	Nigeria Labour Congress (NLC)	51	33	20	16	02	122

*Research Data, January, 2011*

**Table 3: Analysis of Respondents' View on the Level of accessibility of ITF programmes to the employees?**

Respondents	4	3	2	1	0				
	Often	Occasionally	Rarely	Not at all	Not sure	N	Total	Mean	Interpretation
1. AAUA Students	148	69	22	09	0	84	248	2.9	A
2. RUGIPO Students	136	60	12	02	0	63	210	3.3	A
3. NNPC Employees	160	93	18	06	0	91	277	3.0	A
4. Nigeria Labour Congress (NLC)	204	99	40	16	0	122	359	2.94	A

*Source: Research Data, January, 2011*



Table 4: Respondents' View on thy types of programme available in ITF for employees' development.

S/N	Items	4	3	2	1	0	
		SA	A	D	SD	U	Total
1.	Direct Training	118	111	65	60	06	360
2.	Research and Consultancy Services	95	94	88	75	08	360
3.	Reimbursement and Grant Scheme	102	95	79	75	09	360
4.	Students' Industrial Work Experience Scheme (SIWES)	109	108	75	61	07	360

Source: Research Data, January, 2011

**Table 5:** Analysis of Respondents' View on the Impact of IDC Services on the Development of SMEs using Weighted Scores

Items	4	3	2	1	0				
	SA	A	D	SD	U	N	Total	Mean	Interpretation
1. Direct Training	472	333	130	60	0	360	9395	2.7	A
2. Research and Consultancy Services	380	282	176	75	0	360	913	2.5	A
3. Reimbursement and Grant Schemes	408	285	158	75	0	360	926	2.57	A
4. Students Industrial Work Experience Scheme (SIWES)	436	324	150	61	0	360	971	2.69	A

Research Data, January, 2011

**Table 6:** Respondents' View on the Impact of ITF Programmes on Capacity Building and Human Resource Development in Nigeria.

S/N	Items	4	3	2	1	0	
		SA	A	D	SD	U	Total
1.	ITF training programmes enhances job's efficiency and effectiveness	110	119	65	60	06	360
2.	ITF's training programmes have led to the emergence of skilled manpower in Nigerian industries	125	94	68	65	08	360
3.	SIWES exercise of ITF have really exposed beneficiaries to the ethics in the world of work	102	95	79	75	09	360
4.	Through ITF's training programmes, industrial hazards/risks have reduced drastically in Nigerian industries	99	108	85	61	07	360
5.	ITF training programmes has led to the emergence of small scale industrialists in the Country	66	69	117	101	07	360

*Research Data, January, 2011*

**Table 5:** Analysis of Respondents' View on the Impact of IDC Services on the Development of SMEs using Weighted Scores

Items	4	3	2	1	0				
	SA	A	D	SD	U	N	Total	Mean	Interpretation
1. ITF training programmes enhances job's efficiency and effectiveness	440	357	130	60	0	360	987	2.74	A
2. ITF's training programmes have led to the emergence of skilled manpower in Nigerian industries	500	282	136	65	0	360	983	2.7	A
3. SIWES exercise of ITF have really exposed beneficiaries to the ethics in the world of work	402	285	158	75	0	340	920	2.70	A
4. Through ITF's training programmes, industrial hazards/risks have reduced drastically in Nigerian industries	396	324	170	61	0	360	951	2.64	A
5. ITF training programmes has led to the emergence of small scale industrialists in the Country	264	203	234	101	0	360	802	2.22	D

*Source: Research Data, January, 2011*

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